

Call on Japan to open "cash for clunkers" program to US autos

Washington, D.C - Today, members of the **New Democrat Coalition**, led by **Congressman Jim Moran (VA-08)**

, **Congressman Joseph Crowley (NY-07), Chair**

, and

Congressman Adam Smith (WA-9)

, Chair of the New Dem Trade Task Force, sent a letter to Japanese Ambassador Ichiro Fujisaki urging revisions to Japan's vehicle scrappage program, which currently excludes automobiles from United States automakers.

Last year, the New Dems joined with colleagues in the House, Senate and the Administration to enact the U.S. "Cash for Clunkers" program, which supported the free and fair-trade ideals of the Coalition by opening the program to automakers throughout the world. This program provided significant economic benefits to American businesses and workers and was open to competition from across the globe, including Japan. Signed by 40 members of the New Democrat Coalition, the letter urges Japan to change the restrictive nature of its scrappage program and calls for a review of whether the program violates existing trade obligations.

"Japanese auto makers fared extremely well in the U.S. 'Cash for Clunkers' program, accounting for nearly half of all vehicles sold. As a close ally and key trading partner, it's troubling they continue to refuse American autos equal access to compete in their program," said **Congressman Jim Moran (VA-08)**.

"It is troubling that a key trading partner for the United States like Japan would exclude American automobiles from its 'cash for clunkers' program," said **Congressman Joseph Crowley (NY-07)**, Chair of the New Democrat Coalition. "We urge Japan to review their 'cash for clunkers' policies and level the playing field for U.S. automakers."

"I am disappointed that in this time of economic recovery Japan has decided to maintain trade barriers that will only serve as a detriment to the global recovery," said **Congressman Adam Smith (WA-09)**, Chair of the New Dem Trade Task Force. "In order to build a long term sustainable economic recovery we must build mutually beneficial trade relationships with key partners like Japan and I am concerned that they are moving in the wrong direction. I hope that they reconsider this decision and move toward a more open, mutually beneficial policy."

The New Democrat Coalition is a diverse Coalition of 67 members of the U.S. House of Representatives who are dedicated to the prosperity and security of American families and business. Founded in 1997, the NDC provides Members of Congress with the opportunity to advance a common sense policy agenda focused on empowering the U.S. to grow economically and maintain a vibrant job market, preserving the U.S. standing as the world's leader in innovation and technological advancement, and strengthening our economic and national security. For more information, visit the New Dems website at <http://ndc.crowley.house.gov>.

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January 15, 2010

Ambassador Ichiro Fujisaki
Embassy of Japan in the United States
2520 Massachusetts Avenue, N.W.
Washington, DC 20008

Dear Ambassador Fujisaki:

We the undersigned members of the New Democrat Coalition, would like to raise serious concerns over discriminatory trade practices in Japan's eco-friendly vehicle purchase incentive program, or scrappage program. Government policies designed to implement Japan's vehicle scrappage program have classified all U.S.-based automaker vehicles exported to Japan as ineligible for the program. While Japan has been a strong open-market global trading partner, these implementation policies are part of an unfortunate historical pattern of the Japanese government keeping its domestic auto industry closed to foreign competition.

As you know, Congress enacted a federal vehicle scrappage program aligned with the free-trade views of the New Democrat Coalition. The U.S. program developed and approved by the Congress specifically allowed all global automakers to have vehicles eligible for vehicle purchase incentives, including Japanese automakers. In fact, nearly half of the cars and trucks benefited by the U.S. program were Japanese imports.

Unlike the open-market U.S. scrappage program, Japan's program does not allow one Chrysler, Ford, or General Motors vehicle to be eligible for their government purchase incentives. Japan's program excludes all vehicles that are certified under a government regulatory program known as the "preferential handling procedure" (PHP). The PHP is a regulatory protocol established by Japan to allow imported vehicles to be sold without requiring each and every U.S. car and truck to be individually inspected upon importation. Chrysler, Ford, and General Motors vehicles only

use the PHP regulatory protocol to certify U.S. produced vehicles imported into Japan.

We urge you to change your program to allow U.S. automakers to participate, just as Japanese-based automakers participated in the U.S. program. We also encourage you to identify and remedy any violations of Japan's trade obligations under the World Trade Organization. Our nation's open-market, free-trade policies and practices must have reciprocal application with our key global trading partners.

We look forward to working with you on this important trade issue.